

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re: : **Chapter 11**
:
SEARS HOLDINGS CORPORATION, et al., : **Case No. 18-23538 (RDD)**
:
Debtors.¹ : **(Jointly Administered)**
:
-----X

**SECOND MONTHLY FEE STATEMENT OF STOUT RISIUS ROSS, LLC
FOR COMPENSATION EARNED AND EXPENSES INCURRED FOR JANUARY 1,
2019 THROUGH JANUARY 31, 2019**

Name of Applicant: Stout Risius Ross, LLC

Authorized to Provide Professional Services Debtors and Debtors in Possession
to:

Date of Retention: December 26, 2018, *nunc pro tunc* to
November 21, 2018

Period for which compensation and January 1, 2019 through January 31, 2019
reimbursement is sought:

Monthly Fees Incurred: \$27,055.00

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); SHC Licensed Business LLC (3718); SHC Promotions LLC (9626); and Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

20% Holdback: \$5,411.00

Total Compensation Less 20% Holdback: \$21,644.00

Monthly Expenses Incurred: \$2,018.45

Total Fees and Expenses Due: \$23,662.45

This is a: X monthly interim final application

In accordance with the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No. 796] (the “Interim Compensation Order”),² Stout Risius Ross, LLC (“Stout”) hereby submits this second monthly fee statement (the “Second Monthly Fee Statement”), seeking compensation for services rendered and reimbursement of expenses incurred as real estate consultant and advisor to the Debtors, for the period from January 1, 2019 through January 31, 2019 (the “Second Monthly Fee Period”). By this Second Monthly Fee Statement, Stout seeks payment in the amount of \$23,662.45, which comprises (i) \$21,644.00, representing eighty percent (80%) of the total amount of compensation sought for actual and necessary services rendered during the Second Monthly Fee Period, and (ii) reimbursement of \$2,018.45, representing one hundred percent (100%) of actual and necessary expenses incurred in connection with such services.

Services Rendered and Expenses Incurred

Attached are the following schedules in support of this Second Monthly Fee Statement:

- Exhibit A - Time Detail by Date by Professional
- Exhibit B – Summary of Time Detail by Professional
- Exhibit C – Expense Detail by Date by Professional

² Capitalized terms used herein but not otherwise defined herein have the meanings ascribed to them in the Interim Compensation Order.

- Exhibit D – Summary of Expense Detail by Category.

Notice and Objection Procedures

Notice of this Second Monthly Fee Statement shall be given by hand or overnight delivery or email where available upon (i) Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179, Attention: Rob Riecker (email: Rob.Riecker@searshc.com) and Luke Valentino (email: Luke.Valentino@searshc.com); (ii) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attention: Ray C. Schrock (email: ray.schrock@weil.com), Jacqueline Marcus (email: jacqueline.marcus@weil.com), Garrett A. Fail (email: garrett.fail@weil.com), and Sunny Singh (email: sunny.singh@weil.com); (iii) William K. Harrington, the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014, Attention: Paul Schwartzberg (e-mail: paul.schwartzberg@usdoj.gov) and Richard Morrissey (e-mail: richard.morrissey@usdoj.gov); (iv) counsel to the Official Committee of Unsecured Creditors, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York, 10036, Attention: Philip C. Dublin (email: pdublin@akingump.com), Ira Dizengoff (email: idizengoff@akingump.com), and Sara Lynne Brauner (email: sbrauner@akingump.com); and (v) counsel to Bank of America, N.A., Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036, Attention: Paul D. Leake (email: paul.leake@skadden.com), Shana A. Elberg (email: shana.elberg@skadden.com) and George R. Howard (email: george.howard@skadden.com) (collectively, the “Notice Parties”).

Objections to this Second Monthly Fee Statement, if any, must be filed with the Court and served upon the Notice Parties so as to be received no later than **March 1, 2019** (the “Objection Deadline”), setting forth the nature of the objection and the amount of fees or expenses at issue (an “Objection”).

If no objections to this Second Monthly Fee Statement are filed and served as set forth above, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified herein.

If an objection to this Second Monthly Fee Statement is received on or before the Objection Deadline, the Debtors shall withhold payment of that portion of this Second Monthly Fee Statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth above. To the extent such an objection is not resolved, it shall be preserved and scheduled for consideration at the next interim fee application hearing to be heard by the Court.

[Remainder of page intentionally left blank]

Dated: February 14, 2019

A handwritten signature in blue ink, consisting of two distinct, stylized cursive-like marks.

Kevin Kernen
Managing Director
Stout Risius Ross, LLC



February 14, 2019

Sears Holding Corporation
c/o Robert Britton
Paul, Weiss, Rifkind, Wharton & Garrison, LLP
1285 Avenue of the Americas
New York, NY 10019-6064

Dear Sir or Madam,

Pursuant to the Bankruptcy Court's Order authorizing the retention of Stout Risius Ross, LLC ("Stout") as real estate consultant and advisor to Sears Holdings Corporation and its affiliated debtors and debtors in possession (the "Debtor"), acting solely at the discretion of the restructuring sub-committee (the "RSC"), with respect to all RSC Conflict Matters *Nunc Pro Tunc* to November 21, 2018, dated December 26, 2018 (the "Retention Order") and the engagement letter between Stout and the Debtor dated November 21, 2018 (the "Engagement Letter"), Stout submits this statement detailing professional fees and expenses in connection with the work completed on behalf of the Debtor for the period from January 1, 2019 through January 31, 2019 (the "Covered Period").

During the Covered Period, Stout rendered professional services totaling \$27,055.00 and incurred expenses related to these services in the amount of \$2,018.45. Stout is eligible for payment of 80% of the fees incurred and 100% of the expenses incurred pending the fifteen (15) day objection period. Accordingly, the total amount payable herein pending no objections is \$23,662.45.

Attached are the following schedules in support of this monthly statement:

- Exhibit A – Time Detail by Date by Professional
- Exhibit B – Summary of Time Detail by Professional
- Exhibit C – Expense Detail by Date by Professional
- Exhibit D – Summary of Expense Detail by Category

Please do not hesitate to contact me with any questions or concerns.

Sincerely,

A handwritten signature in black ink that reads "Kevin Kern".

Kevin Kern
Managing Director
Stout Risius Ross, LLC



February 14, 2019

Sears Holding Corporation
c/o Robert Britton
Paul, Weiss, Rifkind, Wharton & Garrison, LLP
1285 Avenue of the Americas
New York, NY 10019-6064

In Reference To: Sears Holdings Corporation Bankruptcy - Seritage Properties
Matter #: 4039415
Invoice #: 123094

	Amount
For Professional Services Rendered	\$27,055.00
Total Out-Of-Pocket Expenses	\$2,018.45
Total Amount of This Bill	\$29,073.45
Previous Balance	\$0.00
Balance Due (80% Fees + 100% Expenses)	\$23,662.45

Please include the matter number and invoice number with your payment. If you have any questions, contact Accounts Receivable at 248-208-8800.

Please remit check and invoice copy to:

STOUT RISIUS ROSS, LLC
P.O. Box 71770
Chicago, IL 60694-1770

Payments may be made electronically to:

STOUT RISIUS ROSS, LLC
BMO Harris Bank
Chicago, IL 60603
ACH ABA Number 071000288
Account Number 3998895

Invoice Payable Upon Receipt

Fed ID 38-3003685

Investment Banking | Valuation Advisory | Dispute Consulting | Management Consulting



Exhibit A

Invoice Date: 02/14/2019

Invoice #: 123094

Matter #: 4039415

Professional Charges

In Reference To: Sears Holdings Corporation Bankruptcy - Seritage Properties

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/03/19	Kevin A. Kernen	Call with client/counsel (.3), preparation for meeting with counsel (.5), research for counsel - REMIC properties (4)	4.80	505.00	2,424.00
01/03/19	Charles Carr	Market Research - REMIC properties	2.50	230.00	575.00
01/07/19	Charles Carr	Client support; market research	1.60	230.00	368.00
01/08/19	Kevin A. Kernen	Sears/Seritage market research for counsel	2.50	505.00	1,262.50
01/08/19	Charles Carr	Client support; market research	2.30	230.00	529.00
01/09/19	Kevin A. Kernen	Document (complaint) review	2.00	505.00	1,010.00
01/09/19	Charles Carr	Client support; market research	1.60	230.00	368.00
01/10/19	Kevin A. Kernen	Call with client and counsel (1.6); Seritage property research (1)	2.60	505.00	1,313.00
01/10/19	Charles Carr	Client support; market research	3.80	230.00	874.00
01/11/19	Kevin A. Kernen	Seritage property research - Opt-out properties (3.9) Valuation analysis (1.0) market research (0.4)	5.30	505.00	2,676.50
01/12/19	Kevin A. Kernen	Seritage property research - Opt-out properties	2.50	505.00	1,262.50
01/14/19	Kevin A. Kernen	Preparation for Jeff Stollenwerck interview	1.10	505.00	555.50
01/15/19	Kevin A. Kernen	Travel to NYC for Jeff Stollenwerck interview	6.10	505.00	3,080.50



<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/16/19	Kevin A. Kernen	NYC for Jeff Stollenwerck interview	15.50	505.00	7,827.50
01/17/19	Kevin A. Kernen	Document review, discussions with counsel	0.90	505.00	454.50
01/18/19	Kevin A. Kernen	Call with counsel	0.40	505.00	202.00
01/21/19	Kevin A. Kernen	Call with counsel	0.20	505.00	101.00
01/22/19	Kevin A. Kernen	Engagement management/invoicing/call with counsel	0.90	505.00	454.50
01/31/19	Kevin A. Kernen	Review of documents - Greenspan report, Michael Welch declaration, restructuring subcommittee motion	3.40	505.00	1,717.00
Total			60.00		\$27,055.00



Exhibit B

Professional Charges Summary

<u>Timekeeper</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Kevin A. Kernen	Managing Dir.	48.20	505.00	24,341.00
Charles Carr	Associate	11.80	230.00	2,714.00
Total Professional Charges				<u>\$27,055.00</u>



Exhibit C

Out-Of-Pocket Expenses

			Quantity	Rate	Amount
01/03/19	KAK	Chargeable - Travel Flight to NYC for meeting with counsel / interview with Jeff Stollenwerck	1.00	800.60	800.60
01/14/19	KAK	Chargeable - Travel change flight cost for re-scheduled Jeff Stollenwerck interview. Now on January 16, 2019	1.00	586.00	586.00
01/15/19	KAK	Chargeable - Travel Uber from airport to hotel while traveling to NYC for Jeff Stollenwerck interview	1.00	37.14	37.14
01/15/19	KAK	Chargeable - Mileage mileage to airport while traveling to NYC for Jeff Stollenwerck interview	1.00	33.14	33.14
01/16/19	KAK	Chargeable - Travel Hotel while traveling to NYC for Jeff Stollenwerck interview	1.00	360.37	360.37
01/16/19	KAK	Chargeable - Meals waters	1.00	7.08	7.08
01/16/19	KAK	Chargeable - Travel Uber from Paul, Weiss office to airport	1.00	53.43	53.43
01/16/19	KAK	Chargeable - Meals Dinner while in NYC for Jeff Stollenwerck interview	1.00	16.77	16.77
01/16/19	KAK	Chargeable - Mileage mileage from airport while traveling to NYC for Jeff Stollenwerck interview	1.00	33.14	33.14
01/16/19	KAK	Chargeable - Travel Airport parking while traveling to NYC for Jeff Stollenwerck interview	1.00	48.00	48.00
01/16/19	KAK	Chargeable - Meals Breakfast while traveling to NYC for Jeff Stollenwerck interview	2.00	21.39	42.78
Total Out-Of-Pocket Expenses					\$2,018.45



Exhibit D

Out-Of-Pocket Expenses

	Total
Chargeable - Meals	66.63
Chargeable - Mileage	66.28
Chargeable - Travel	1,885.54
 Total Out-Of-Pocket Expenses	 \$2,018.45



February 14, 2019

Sears Holding Corporation
c/o Robert Britton
Paul, Weiss, Rifkind, Wharton & Garrison, LLP
1285 Avenue of the Americas
New York, NY 10019-6064

In Reference To: Sears Holdings Corporation Bankruptcy - Seritage Properties
Matter #: 4039415
Invoice #: 123094

	Amount
For Professional Services Rendered	\$27,055.00
Total Out-Of-Pocket Expenses	<u>\$2,018.45</u>
Total Amount of This Bill	\$29,073.45
Previous Balance	<u>\$0.00</u>
Balance Due (80% Fees + 100% Expenses)	<u><u>\$23,662.45</u></u>

Please include the matter number and invoice number with your payment. If you have any questions, contact Accounts Receivable at 248-208-8800.

Please remit check and invoice copy to:

STOUT RISIUS ROSS, LLC
P.O. Box 71770
Chicago, IL 60694-1770

Payments may be made electronically to:

STOUT RISIUS ROSS, LLC
BMO Harris Bank
Chicago, IL 60603
ACH ABA Number 071000288
Account Number 3998895

Invoice Payable Upon Receipt

Fed ID 38-3003685

Investment Banking | Valuation Advisory | Dispute Consulting | Management Consulting